Statement of
U.S. Representative Edward J. Markey (D-MA)
Ranking Democrat, House Subcommittee on
Telecommunications and the Internet
Hearing on Republican Staff DTV Draft Bill
May 26, 2005

Good Morning. Today's hearing will focus upon draft provisions of legislation affecting digital television issued by the Republican Committee staff.

After several weeks of discussions involving Chairman Barton, Chairman Upton, Ranking Member Mr. Dingell and myself, no agreement was reached on a consensus blueprint for the digital television era. We did, however, agree upon several items.

We agreed, for instance, on the desirability of bringing the digital television transition to a timely conclusion and the setting of a "date certain" for the cessation of analog television broadcasting. We agreed upon the need to do so in order to assist public safety entities in obtaining much-needed, cleared frequencies for their vital public safety mission and to free up frequencies for other wireless uses, such as broadband wireless services. We also agreed on the need for an effective consumer education campaign that includes public service announcements, consumer disclosures, and informational outreach so that consumers are fully aware of the changes being wrought by this digital TV transition.

Notwithstanding our general accord on these issues, several areas remain without resolution. These areas include public interest obligations and multi-cast must-carry issues, the policies for down-converting digital

broadcast signals on cable systems into analog form, addressing spectrum-related and competition-related issues, and the principles for treating consumers fairly when the government renders their analog TVs inoperable.

These areas of disagreement, while not insurmountable, are nonetheless significant. Constraining our ability to reach agreement is the fact that this legislation is intended to become part of the budget process because of the revenue-raising potential of the auctions of the frequencies the broadcasters relinquish.

Many of us have criticized the fact, over several Congresses, and on both sides of the aisle, that unrelated budget priorities poison our ability to enact sound telecommunications policies.

In the current instance, the implications of allowing budget policy to trump telecommunications policy are not academic – they could affect literally millions of American families. This is because when the "date certain" arrives on New Year's Day 2009 to turn off the analog TV signal, the Federal budget will <u>still</u> be in the <u>red</u> even as consumer TV's go <u>black</u>.

The core of any digital TV bill we approve should ensure that all affected consumers have some governmentbacked remedy to restore the signals the government itself is ordering turned off. Even today, across the country Americans will be walking into retail outlets and buying analog-only televisions. If there is no plan for such consumers, then consumers will be rightly angered that they must bear the cost - at \$50 or \$60 or \$75 perhaps torestore the TV pictures the government is shutting off.

Think about it – it would be as if the government turned off your phone or your computer but offered to turn it back on if you sent in 50 bucks. What are we going to do for the American consumer -- for the families who will be tuning in expecting to watch a New Year's Day college bowl game in 2009 when the government reaches into their homes and turns off the set? How are we responding to these consumers?

A digital TV tax will not go over very well with consumers. And the fact is that it is totally unnecessary. Since the auction is expected to raise at least \$10 Billion, there's more than enough money to make all affected consumers whole who are unfairly blacked out by this policy imposed from the top down.

It is <u>unacceptable that</u> we have <u>no plan</u> to restore service to televisions that the Congress will render as inoperable. Moreover, a plan which simply helps <u>a few</u> consumers but leaves the <u>vast majority</u> with no remedy is not only challenging to implement, it is also unjust to the tens of millions of consumers who spent hard-earned money to buy a television set they thought would work for decades.

So, if you are one of the millions of consumers who has an <u>analog TV clicker in one hand</u>, you'd better have your <u>other hand</u> on your <u>wallet – because the government is coming after both</u>.

I hope we will have the opportunity to rectify the omissions and shortcomings in the staff draft as we proceed and do so on a bipartisan basis. I thank Chairman Upton for calling this hearing and for the witnesses for their appearance here today.

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